

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Lightspeed Technologies

Oregon Manufacturing Extension Partnership

Lightspeed Technologies Thrives with Lean

Client Profile:

Lightspeed Technologies, Inc. markets classroom audio systems to school districts throughout the U.S. and in selected international markets. Established in 1990, the company started as a manufacturer of professional wireless FM systems. Lightspeed made its entry into the education market in 1994, introducing a line of high-quality classroom audio systems to improve the learning potential of all students. The company employs 35 people at its facility in Tualatin, Oregon.

Situation:

Lightspeed had been experiencing significant growth and decided to undertake a Lean transition as a strategic initiative without an undue increase in expenses and pressure on cash resources. The company contacted the Oregon Manufacturing Extension Partnership (OMEP), a NIST MEP network affiliate, to assist in this transition.

Solution:

After an assessment of company operations, OMEP identified three areas requiring improvement: 1) processing of new sales orders; 2) order fulfillment and the picking error rate; and 3) warranty/service repairs. First, a Value Stream Mapping (VSM) team was created to decrease the time and error rate associated with processing new orders. A future state map provided for a relocation of the Client Service department; instituted a pace and pull system for order creation; the initiation of a data scrubbing project on client information; and an error tracking and follow-up system. A second VSM team was created to decrease the lead time associated with order fulfillment and the picking error rate. The future state map provided for a new warehouse layout; establishment of a supermarket-driven pull system for picking, packing, and shipping; and a mistake proofing process designed to reduce and eliminate errors. Another VSM team was created to focus on decreasing the lead time associated with service repairs. As a central part of its future state recommendations, the Service department is moving to an advanced replacement approach to all warranty repairs. To enable this effort, a supermarket system has been developed to manage item refurbishment, and workplace organization efforts were initiated to increase station and unit efficiency.

Results:

- * Realized \$25,000 in cost savings.
- * Invested \$120,000 in plant, equipment and technology.
- * Avoided unnecessary investment of \$20,000.
- * Retained 4 employees.
- * Significantly reduced lead time.
- * Reduced error rates from 25 percent to 2 percent.

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* Reduced packing errors from 25 per month to 2 per month.

Testimonial:

"OMEP consultants Chris Scherer and Aaron Fox have proven invaluable in training and establishing a base level knowledge of Lean, as well assisting us to attain exciting core results -- additional customer value and significant elimination of waste. I highly recommend OMEP to any company with the courage and willingness to look within and make bold and necessary changes to better serve their customers while improving their bottom line."

Carl Cox, VP of Operations / Chief Financial Officer